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The Director of Central Intelligence
Washington, D.C. 20505

National Intelligence Council

NIC# 02190-84
9 April 1984

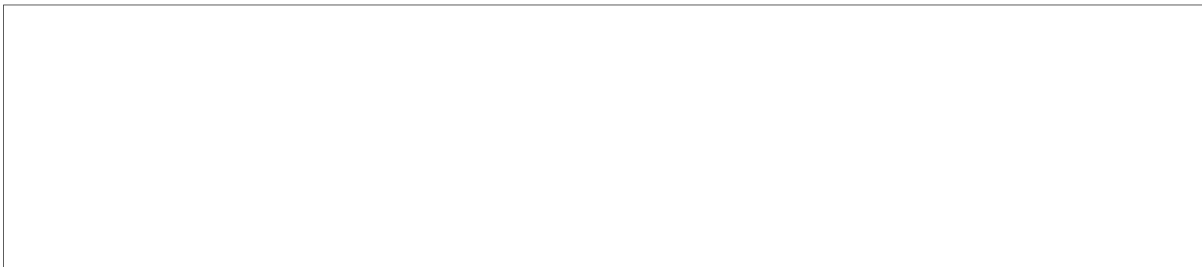
MEMORANDUM FOR: Director of Central Intelligence
Deputy Director of Central Intelligence

VIA: Chairman, National Intelligence Council

FROM: National Intelligence Officer for East Asia

SUBJECT: Briefing of the President on China

1. The lunch discussion on 6 April with the President went quite well. Those present were the Vice President, Baker, Meese, Deaver, Shultz, McFarlane, Wolfowitz, Olmer, Sigur, Armitage, Laux and myself.
2. Subjects discussed were how the Chinese treat foreigners, China's new economic policies, how the bureaucracy works, Sino-Soviet and Sino-Japanese relations, police and security services, background of key leaders, the lasting effects of the cultural revolution and the interchange of students between China and the US. The President was a surprisingly active participant: he asked many questions, showed keen interest, and kept us beyond the allotted time.
3. Our general tone on all the above mentioned subjects was fairly negative--China was trying to modernize but the political and economic obstacles were immense. Moreover, it was doubtful that modernization could proceed very fast under a centralized, command system of government. This was China's central dilemma: loosen the centralized command system and party control is loosened; maintain the centralized system and modernization is slowed.



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5. The President summed up the session with the comment that history was repeating itself in a way. During earlier times in Western Europe, the aristocracy fought its way to the top on the backs of the peasantry, then invented the theory of divine right to keep themselves there. The communists seem to have done the same thing.

6. Many DO/EA, DDI/OEA and DDI/OCR officers helped me get ready for the lunch.

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David D. Gries

cc: DO/EA
DDI/OEA
DDI/OCR

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